

## **FISCAL NOTE**

### **SB 38 - HB 18**

January 22, 2007

**SUMMARY OF BILL:** Requires local governments to be responsible for the payment of any judgment or award against them for all actual medical costs even if such costs exceed the applicable liability limits under the Governmental Tort Liability Act.

#### **ESTIMATED FISCAL IMPACT:**

##### **Increase Local Govt. Expenditures – Exceeds \$1,000,000\***

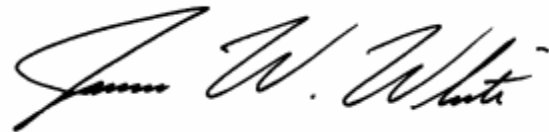
##### Assumptions:

- The state is not subject to the Governmental Tort Liability Act.
- There will be no impact on the State's Risk Management Fund.
- Any payments resulting from applicable judgments would be limited to actual medical costs.
- Local governments will likely increase their coverage limits to protect against uninsured losses. As a result, there will be an increase in the premiums and possibly the deductibles for liability coverage for local governments.
- By removing the Governmental Tort Liability Act limits in such cases, local governments will see an increase in the amount and duration of litigation.
- Any increase in caseloads for the state trial courts and appellate courts can be absorbed within existing judicial resources.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director